United Nations A/59/15 (Part IV)

General Assembly

Distr.: General
27 October 2004

Original: English

Fifty-ninth session

Report of the Trade and Development Board on its thirty-fifth executive session*

Geneva, 21 September 2004

* The present document is an advance version of the report of the Trade and Development Board on its thirty-fifth executive session, held at the United Nations Office at Geneva on 21 September 2004. It will appear in final form, together with the reports on the thirty-third and thirty-fourth executive sessions, the twenty-first special session and the fifty-first session of the Board, as *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 15* (A/59/15).

04-57533 (E) 291004

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Chapter I

ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

1. For its consideration of this item, the Board had before it the following documentation:

"Activities undertaken by UNCTAD in favour of Africa: Report by the Secretary-General of UNCTAD" (TD/B/EX(35)/2).

2. The representative of **Brazil**, speaking on behalf of the **Group of 77 and China**, drew attention to the severity of the development problems facing the African continent, as reflected in the appalling statistics on human development indicators such as life expectancy, infant mortality and school enrolment, and low economic growth due to high commodity dependence, low rates of investment and limited economic diversification. Despite positive initiatives in recent years such as the establishment of the African Union and the NEPAD, the region continued to face immense challenges, which demanded urgent attention. UNCTAD had a vital role to play in giving a concrete dimension to pledges of support for NEPAD, as embodied in General Assembly resolution 58/233. He underscored the importance of research and policy analysis in the annual reports on economic development in Africa, and expressed support for the UNCTAD activities described in document TD/B/EX(35)/2. He called for a strengthening of activities relating to infrastructure, information and communication technologies, trade and investment, as well joint technical assistance projects such as JITAP, the latter within the context of the Doha Round of trade negotiations; he called in particular for the implementation of the project on "Capacity building and policy networking for sustainable resource-based development" and the project for cotton-producing countries. In this regard, there would be a need for enhanced ODA flows and debt relief measures, complemented by greater market access in the developed countries and the reduction of agricultural subsidies within the framework of the Doha Round. He urged UNCTAD to provide the necessary technical support for the third round of negotiations of the Global System of Trade Preferences among Developing Countries (GSTP) launched in São Paolo.

3. The representative of **Nigeria**, speaking on behalf of the **Africa Group,** also noted the appalling human development statistics of the African continent and the increasing recognition in the development community that Africa was not likely to meet the Millennium Development Goals (MDGs). He praised the research and analytical contribution of UNCTAD in the area of trade and international development, in particular on issues such as poverty, commodities, external debt, investment and enterprise development and services, while urging it to continue to link its activities in favour of Africa to NEPAD, as well as orienting policy research findings and operational activities to build domestic capacity in specific areas. UNCTAD's technical assistance programmes in the areas of JITAP, commercial diplomacy, regional initiatives, commodities and the Integrated Framework (IF) deserved special mention. He called for greater technical assistance from UNCTAD in improving trade efficiency, including trade facilitation and e-commerce. The support of the international community for UNCTAD would be critical if the secretariat was to increase the scope and extent of its activities undertaken in favour of Africa.

4. The representative of the **Netherlands**, speaking on behalf of the **European Union,** advised the UNCTAD secretariat to streamline its efforts in providing assistance to African countries, and welcomed the close collaboration between the UNCTAD secretariat, the NEPAD secretariat and members of the NEPAD Steering Committee. He drew attention to the comprehensive plan of action agreed between the EU and Africa at the first EU-Africa Summit in Cairo in 2000, and the four clusters on which the EU and Africa had decided to focus its dialogue in November 2003: peace and security, governance, regional integration and trade, and key development issues (debt, food security, HIV/AIDS). He reiterated the concern of the EU regarding the declining share of the African region in the total delivery of UNCTAD's technical cooperation, and called upon the secretariat to set out a realistic and effective way of reversing this trend, to be discussed at the next session of the Working Party. There should be stronger feedback mechanisms between UNCTAD's analytical work and technical cooperation, and the secretariat should indicate how it intended to achieve that goal within the mandate emanating from the São Paolo consensus. The allocation of human resources to LDCs, particularly those in Africa, should be improved. He underscored the issue of supply side constraints as a key element of the work of UNCTAD, while noting the importance of UNCTAD's involvement in JITAP and the IF. He urged the secretariat to strengthen its activities in favour of Africa by providing coherent and effective assistance that met the short-term and long-term needs of recipient counties.

5. The representative of **Benin,** speaking on behalf of the **least developed countries,** expressed concern that Africa might not meet the MDGs because of falling per capita incomes, a lack economic diversification and increasing marginalization. He emphasized the importance of the United Nations revisiting the resolution adopted at the Third UN Conference on LDCs in Brussels in 2001 and resolutions adopted in other international forums on behalf of LDCs. He drew attention to the major problems afflicting LDCs, such as the debt overhang, their negligible share of FDI, and their weak supply capacity. He acknowledged the benefits that LDCs derived from technical cooperation programmes designed for them, such as JITAP, IF, TrainForTrade, multilateral diplomacy and port improvement.

6. The representative of **South Africa** noted that document TD/B/EX(35)/2 responded to the requests made by the Board at its thirty-second executive session in July 2003. He underscored the relationship between the work of UNCTAD and that of NEPAD, while noting that NEPAD had adopted a number of action plans, the evolution of which should be reflected in UNCTAD's future work relating to Africa. These action plans covered agriculture, tourism, science and technology, and market access. South Africa would be happy to share its views on the action plans with the secretariat.

7. The representative of **Senegal** expressed concern over the declining share of Africa in UNCTAD's global technical cooperation programmes.

8. The **Special Coordinator for Africa** said that Africa remained the most disadvantaged continent in terms of social and economic indices. African countries had made genuine efforts to address some of the most fundamental challenges facing the continent. The adoption of the NEPAD represented the manifestation of a real desire by African countries to address fundamental development problems in a meaningful and coherent fashion. The international community for its part had reiterated its readiness to support the NEPAD process through various ECOSOC and General

Assembly resolutions and decisions. However, there was now an emerging consensus that, under present conditions, it was unlikely that Africa would achieve the MDGs in the foreseeable future. The UN Secretary-General's recent report on the implementation of NEPAD released on 17 September 2004 underlined the need for more aid, debt relief, foreign investment and trade opportunities. There must also be greater consistency in external policies, so that advances on one front were not undercut by delays on another. The UN Secretary-General's report cited progress in strengthening Africa's own peacekeeping capacities, as well as in advancing the African Peer Review Mechanism of the NEPAD, a voluntary process by which African leaders agreed to subject their standards of democracy, human rights, governance and economic management to review by other Africans. According to the report, so far, 23 countries – nearly half of Africa's total – had joined the mechanism, and several more were considering joining.

9. Document TD/B/EX/(35)/2 provided delegations with a broad picture of UNCTAD's activities in the reporting period. No doubt future secretariat-wide activities would also draw on the outcome of UNCTAD XI. In the context of substantive research and policy analysis, the Sub-programme on the Development of Africa had already responded to one of the concerns raised at UNCTAD XI relating to debt sustainability, and the Board would have the opportunity to consider that matter at its fifty-first session in October.

10. The UNCTAD secretariat had continued to work closely with NEPAD in providing inputs to workshops and meetings of its Steering Committee. In the area of trade, the UNDP/AU project for Trade Capacity Development for Poverty Reduction and Human Development for Sub-Saharan Africa had been signed, and UNCTAD would be one of the participating agencies. There was considerable scope for a comprehensive and coherent review aimed at seeking ways and means to enhance UNCTAD's support for the continent by identifying areas of interest for African countries in respect of capacity building. Such a review, to be facilitated by the secretariat, could be undertaken in consultation with the African Group and donor countries.

Action by the Board

11. The Board took note of the report by the UNCTAD secretariat, as contained in document TD/B/EX(35)/2.

Chapter II

MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES

Report of the Working Party on the Medium-term Plan and the Programme Budget, on its forty-second session

12. For its consideration of this item, the Board had before it the following documentation:

"Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-second session" (TD/B/WP/173);

"Review of the UNCTAD section of the proposed United Nations Strategic Framework for the period 2006-2007" (TD/B/WP/L.111).

13. The representative of Benin, speaking in his capacity as Chairman of the Working Party on the Medium-term Plan and the Programme Budget at its forty-second session, introduced the report of the Working Party.

14. The representative of Pakistan noted that the forty-second session of the Working Party had been held after the session of the CPC dealing with the Strategic Framework. He wished to know which body the Strategic Framework for UNCTAD would be transmitted to and whether there were precedents for such a situation.

15. The representative of the secretariat said that the Strategic Framework for UNCTAD would be taken up by the Second Committee and then the Fifth Committee. The situation was unprecedented for UNCTAD but was simply the result of the timing of UNCTAD XI in relation to the timing of the session of the CPC.

Action by the Board

16. The Board took note of the report of the Working Party, endorsed the agreed conclusions adopted by the Working Party, and transmitted the proposed Strategic Framework for Programme 10 on trade and development for the period 2006-2007 to the General Assembly at its fifty-ninth session.

Chapter III

ORGANIZATIONAL MATTERS

Adoption of the agenda

1. The Board adopted the provisional agenda as contained in document TD/B/EX(35)/1. (For the agenda, see annex I below.)

Bureau

2. For the thirty-fifth executive session, the Bureau of the Board was as elected at the fiftieth regular session, namely:

President:	Mr. Sha Zukang	(China)
Vice-Presidents:	Mr. Michel Adam	(Belgium)
	Mr. Iouri Afanassiev	(Russian Federation)
	Mr. Chitsaka Chipaziwa	(Zimbabwe)
	Mr. Djismun Kasri	(Indonesia)
	Ms. Melissa Kehoe	(United States of America)
	Mr. Mohamed Oulde Mohamed Lemine	(Mauritania)
	Mr. Lester Mejía Solís	(Nicaragua)
	Mr. Iván Mora Godoy	(Cuba)
	Mr. Mitsunori Nanba	(Japan)
	Mr. Dimiter Tzantchev	(Bulgaria)
Rapporteur:	Mr.François Leger	(France)

Report of the Board on it thirty-fifth executive session

3. The Board authorized the Rapporteur to finalize the report on its thirty-fifth executive session under the authority of the President.

Annex I

AGENDA FOR THE THIRTY-FIFTH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. Activities undertaken by UNCTAD in favour of Africa

3. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies

   - Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-second session

4. Other business

5. Report of the Board on its thirty-fifth executive session

Annex II

ATTENDANCE*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Afghanistan
Argentina
Azerbaijan
Bangladesh
Belarus
Belgium
Benin
Bolivia
Bostwana
Brazil
Bulgaria
China
Cuba
Czech Republic
Dominican Republic
Egypt
El Salvador
Finland
France
Gabon
Germany
Ghana
Greece
Indonesia
Iran (Islamic Republic of)
Ireland
Italy
Japan
Jordan
Kenya
Latvia
Lebanon
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Mali
Mauritius
Mexico
Netherlands
Nigeria
Oman
Peru
Philippines
Poland
Portugal
Senegal
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Turkey
Uganda
United Kingdom of Great Britain and Northern Ireland
United States of America
Yemen
Zambia
Zimbabwe

2. The following Countries were represented as observers at the session:

Holy See
Kazakhstan

* For the list of participants, see TD/B/EX(35)/INF.1.

3. The following Intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States

European Community

4. The following United Nations Organization was represented at the session:

International Trade Centre

5. The following Specialized Agencies and Related Organizations were represented at the session:

Food and Agriculture Organization of the United Nations

United Nations Educational, Scientific and Cultural Organization

United Nations Industrial Development Organization

6. The following non-governmental organizations were represented at the session:

General Category

International Centre for Trade and Sustainable Development

International Confederation of Free Trade Unions

International Federation of Business and Professional Women